

**OFFICE OF THE LT. GOVERNOR  
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**Sue Ellspermann  
LT. GOVERNOR**

**For Immediate Release**  
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**Lt. Governor Sue Ellspermann Announces Blight  
Elimination Program Awards  
for Allen and St. Joseph Counties**  
*Two applicants awarded \$6.3 million  
to address blighted homes*

Indianapolis – Lt. Governor Sue Ellspermann today announced that two Indiana cities received a combined award of more than \$6.3 million to help eliminate blighted and abandoned homes in those communities through the Hardest Hit Fund Blight Elimination Program (BEP). The two cities receiving awards are Fort Wayne and South Bend. They are the successful applicants in the second of six rounds of funding that will make a total of \$75 million available for blight elimination to reduce foreclosures and stabilize property values.

The Blight Elimination Program provides an opportunity for local units of government in all 92 Indiana counties to compete for funding to eliminate blighted, vacant and abandoned homes and decrease foreclosures.

“As Indiana moves forward with the second round of funding for the Blight Elimination Program, I am pleased that we will be able to assist Ft. Wayne and South Bend officials in revitalizing and redeveloping targeted areas within their communities,” said Lt. Governor Ellspermann.

“Neighborhoods across Indiana that have been struggling with the damaging effects caused by vacant and abandoned properties will soon see the benefit of these federal funds,” said Treasury Deputy Secretary Sarah Bloom Raskin. “We believe this program is a critical step in preventing foreclosures by reducing blight in our communities and hope these efforts help stabilize neighborhoods for years to come.”

The Blight Elimination Program funds will be drawn from the \$221.7 million Hardest Hit Fund money allocated to Indiana. In February 2014, the U.S. Department of the Treasury approved the use of \$75 million of Indiana’s Hardest Hit Funds by Indiana Housing and Community Development Authority (IHCDA) for successful BEP applicants. The partnership between IHCDA and Treasury allows IHCDA to provide funding to local units of government to

eliminate blighted properties and offer a variety of end uses for the newly cleared parcels, such as green space or redevelopment. The Blight Elimination Program is not a grant program. The program is a loan program that allows IHCD to make funding available to successful applicants. The loans will then be restructured as forgivable loans using Hardest Hit Funds.

“We want to congratulate the cities of Ft. Wayne and South Bend on their successful applications,” said Mark Neyland, IHCD Director of Asset Preservation, who supervises Indiana’s Hardest Hit Fund Program. “These awards will help eliminate blighted properties in dozens of neighborhoods. Local residents in those neighborhoods can look forward to seeing blighted properties replaced with green spaces and other productive end uses.”

The State of Indiana has been divided into six funding divisions. Any local unit of government wishing to apply for funds to eliminate blighted homes must do so to IHCD by their division deadline. Applicants will apply for funds from the funding division in which their county is located. The application deadlines for divisions one, two and three have passed. Lt. Governor Ellspermann announced awards for five division one cities, including East Chicago, Gary, Hammond, Indianapolis and Lawrence on May 22, 2014. Division three awards will be announced in late July.

IHCD estimates that approximately 4,000 blighted and/or abandoned homes in Indiana will be eliminated through the Blight Elimination Program. Interested local government officials should visit [www.877GetHope.org/blight](http://www.877GetHope.org/blight) to learn more and apply.

## **Background**

Blighted, vacant and abandoned homes are a serious issue for Indiana homeowners, neighborhoods and communities. Sadly, the State of Indiana has the dubious distinction of having the highest percentage of abandoned foreclosed homes in the country. RealtyTrac and 24/7 Wall Street have reported that roughly 30 percent of Indiana’s foreclosed homes are abandoned. Many of these properties quickly fall into a state of blight and attract undesirable or unlawful activity, thereby negatively impacting Indiana homeowners and neighborhoods by reducing property values and draining local government resources. Many Indiana communities simply lack the resources necessary to combat this growing problem alone.

The U.S. Department of the Treasury established the Housing Finance Agency Innovation Fund for the Hardest-Hit Markets (Hardest Hit Fund) to provide financial assistance to families in the states most impacted by the downturn of the housing market. The U.S. Department of the Treasury designed the overall program to give each participating state the flexibility to tailor its program to the unique factors contributing to its state’s foreclosure problems. Eighteen states and the District of Columbia administer Hardest Hit Fund assistance to qualified homeowners struggling to make their mortgage payments.

Since IHCD’s announcement that it was exploring the use of Hardest Hit Funds to eliminate blighted and abandoned properties, many have expressed concern that doing so might detract from the mission of helping struggling homeowners avoid foreclosure. IHCD reassures the public that blight elimination is simply one more instrument in the foreclosure prevention tool kit. As of April 30, 2014, approximately 3,300 homeowners have received an estimated \$37.8

million in Hardest Hit Fund mortgage payment assistance; and another \$81.2 million has been reserved to make mortgage payments for the approved homeowners currently enrolled in the program. For more information on Indiana's Hardest Hit Fund, visit [www.877GetHope.org](http://www.877GetHope.org).

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**About The Indiana Housing and Community Development Authority:** The Indiana Housing and Community Development Authority (IHCDA), chaired by Lt. Governor Sue Ellspermann, creates housing opportunity, generates and preserves assets, and revitalizes neighborhoods by investing financial and technical resources in the development efforts of qualified partners throughout Indiana. IHCDA believes that growing Indiana's economy starts at home. For more information, go to [www.ihcda.in.gov](http://www.ihcda.in.gov).

*The Lieutenant Governor manages the following agencies of State government: Office of Defense Development, Office of Community and Rural Affairs, Indiana State Department of Agriculture, Office of Tourism Development, Office of Small Business and Entrepreneurship and the Indiana Housing and Community Development Authority.*

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